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SUBJECT: COMBATING BONDED LABOR ABUSES IN AGRICULTURE

REF: A. A: 09 ISLAMABAD 02828  
    **1**B. B: 09 ISLAMABAD 02576  
    **1**C. C: 10 ISLAMABAD 00020

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**11.** (SBU) Summary: In Pakistan debt labor in agriculture stems from culturally accepted money lending traditions and a socio-economic disparity that contributes to maintaining the poverty gripping the country's rural areas, especially in the Sindh province. There is a spectrum of abuse that arises from this debt labor system and vulnerability of bonded laborers is primarily linked to a legacy of powerful feudal landlords, and the poverty, illiteracy and migratory nature that characterize the laborers. While perceptions are that police are inactive and apathetic, discussions and greater investigation have revealed otherwise. Despite ongoing efforts to address bonded labor problems in the agricultural sector, much more work is needed, especially in light of the correlation between regions of high bonded labor incidence, intense poverty and increasing militant and extremist recruitment. End summary.

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AN INGRAINED, AGE-OLD PRACTICE  
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**12.** (U) Bonded labor occurs when laborers are compelled to work against their wishes, with violations to their personal freedoms because of debts owed to their employers. Much agricultural work in Pakistan is based on a share-cropping model and a centuries-old feudal system, both of which lend directly to bonded labor. Agricultural workers take loans (referred to as "peshgi") from wealthy feudal land lords to finance agricultural activity and personal expenses, while typically living on the feudal lord's land. Laborers and their families become bonded, and debt is often passed down to children, keeping families in bondage for multiple generations.

**13.** (U) A 2004 study by the Pakistan Institute of Development Economics (PIDE) found that debt labor abuses in agriculture occurred mostly in Sindh and the southern districts of Punjab. These abuses appear to be due to socio-economic disparity between feudal lords and laborers who are mostly low-caste Hindus. Although the study found some incidence of abuse in the North West Frontier Province, it was minimal due to better relations between landlords and laborers who often

belonged to the same tribe. (Note: Few studies have been done on debt labor in agriculture. The Government of Pakistan had plans to conduct a census of bonded laborers, but after an initial needs assessment, difficult access to the laborers and resource constraints prevented the survey from moving forward. End note.)

14. (SBU) Culturally, not all cases of debt are considered abusive and many laborers argue to maintain the loan system. It is important to note the spectrum of scenarios that arise from the peshgi/loan practice. Some laborers, though indebted, cite a good relationship with the landowner, and NGOs like the Sindh Hari Porhiyat Council (Sindh Peasant Employment Council) work hand in hand with "good landowners" to promote better working conditions for laborers on other properties. At the same time, many workers are illiterate, unable to track their debts, and have no identification documents. Living on the feudal lords' land increases their vulnerability and children often work and do not attend school. NGOs, law enforcement and private studies have reported that some landowners take advantage of workers by not properly documenting loan amounts, artificially inflating seed and fertilizer prices, or by lowering produce value and deducting the lower amounts from money owed. Landowners may restrict laborers' movement with the use of armed guards. Law enforcement and NGOs have also confirmed that some employers sell laborers to other landowners for the "price" of the debt owed. In extreme scenarios, when laborers speak out publicly against abuse, landowners have resorted to violence or kidnapping.

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PERCEPTIONS OF POLICE INACTIVITY AND COLLUSION  
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15. (U) Whether from the media or civil society, a common complaint is that the police do not respond or pursue the landowners. In conversations with police and local NGOs at the district and provincial level, we are gaining a better understanding of this. One District Police Officer (DPO) in Punjab expressed great frustration at his team's inability to take preemptive measures against abusive landlords. Only when a case is filed can they take action. Furthermore, many laborers are not aware of existing laws and resources, and when aware their first and utmost concern is personal freedom: i.e. getting off the land. Thus most cases filed by laborers, their families, or civil society lawyers are for "illegal confinement" limiting police activity to only rescuing the laborers off the land. In order for action to be taken against the landlord additional charges must be filed. Police report that charges are rarely filed after because laborers typically wish to move on, migrating to seek work on other lands. Other factors that prevent subsequent legal action are the wealth and influence of the feudal lords and a backlogged justice system with frequent changes in judges and cases that can take 2-4 years to process.

16. (SBU) Despite low frequency of charges against landlords, statistics for police activity in Sindh over the last four years indicate increasing numbers of bonded laborer rescues. In 2009 police in five of Sindh's twenty-three districts rescued nearly 1,500 laborers from bonded labor confinement, up nearly 200% from 2008. DPOs in Sindh cite increasing TV and newspaper coverage and resulting greater awareness as primary reasons.

17. (SBU) In nearly all these rescues, police acted on judicial mandate. Laborers' representatives approach District Session Courts via habeas corpus to initiate an "illegal confinement" case and the judge orders the police to produce the laborers. When asked why they do not approach police directly, laborers and NGOs cite police hesitation to accept cases and claim collusion between police and landlords. However, interviews with police officials reveal the

limitations and vulnerabilities they face, as well as the benefits to judicial intervention.

**18.** (SBU) Police in Sindh, some of whom come from the same communities as the laborers, communicated a real desire to pursue cases against abusive landlords. However, when dealing with powerful feudal landowners, police may receive threats to their jobs or even their families. While police are often able to secure the release of the laborers by citing court orders, they report difficulties in pursuing charges against landlords. A Sindh Deputy Inspector General of Police reported that, without solid evidence and a network of law enforcement support, an officer faces being demoted or transferred if he takes up a case on his own against a powerful landlord. As an example, in an October 2009 high-profile case of bonded laborers taken hostage by landlords (Ref A), the DPO that assisted in filing criminal charges against the most egregious landlord was transferred in December to a different posting. Thus, while the use of judicial intervention may antagonize already weakened civil society-law enforcement relations, at the same time, it provides a power mechanism for police to justify releasing bonded laborers from abusive landowners.

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WHY IS THIS IMPORTANT?  
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**19.** (SBU) Debt labor practices contribute to maintaining income disparity and a high incidence of poverty in the rural areas of Pakistan that are becoming increasingly volatile. Agricultural workers have few employment alternatives and without education their children have no opportunities for social advancement. Furthermore, there are indications of increasing extremist groups, such as Lashkar-e-Taiba, that are recruiting poor youth in the same areas of high bonded labor incidence. (Ref B)

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COMBATING BONDED LABOR

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**110.** (U) Tackling bonded labor abuses in the agricultural sector involves many challenges. The sheer number of laborers involved is one. NGOs estimate 1.7 million bonded laborers in Pakistan, working mostly in agriculture and brick making. The agricultural sector alone accounts for 44% of the workforce. The informal nature of the work is another challenge. While these workers contribute nearly 20% to the GDP, labor laws do not permit agricultural laborers freedom of association or the government to regulate wages or working conditions. Historical power structures are another factor to consider. Debt labor has existed for centuries and abuses are fueled by the political and economic influence of the landlords who are often the financial hub of their communities.

**111.** (U) In combating bonded labor it is necessary to address both the practice and the conditions of poverty and social disempowerment that lead to the abuses. Organizations like the International Labour Organisation (ILO), PIDE, the National Rural Support Programme, and SPARC (all of which work collaborate with government agencies and smaller civil society organizations) have identified areas of need and steps forward in combating debt labor abuses. (Note: ILO in particular has demonstrated a solid understanding of the socio-economic roots of this issue, the laborers' needs, and the necessary interventions.)

**112.** (U) In terms of immediate response, police and civil society report to us they are in need of assistance to provide temporary shelter to freed bonded laborers. Police often must house 30 to 60 laborers in police stations before presenting them to the courts the next day. Following this, laborers need a place to live until they move on to find more

work. The government and NGOs operate a few camps on state-owned land for freed bonded laborers, but their reach is limited. Supporting improved protection facilities along with efforts to improve civil society - police / government alliances will contribute to enhanced victim identification and protection services.

**¶13. (U)** At the root of bonded labor problems is the lending system which, despite the 1992 Bonded Labour Abolition Act that makes it illegal, will not change overnight. Both workers and employers rely on it. In the brick-making sector, the Punjab government is issuing interest-free loans and establishing community committees that help monitor loan repayment to reduce workers dependence on their employers. Punjab and the ILO have also developed sample contracts to better regulate employer loan agreements. (Ref C) However, these initiatives have yet to be implemented in the agricultural sector and there is great need for mechanisms that formalize and better regulate agricultural labor and money lending practices.

**¶14. (U)** In the short term, agricultural workers need assistance in obtaining Computerized National Identity Cards (CNICs) and their children need access to education. Applying for a CNIC is complicated for migrant workers due to residency requirements, but is important because along with it come many basic benefits that Pakistani citizens are entitled to such as voting rights, ability to file a case with the police, and qualification for certain social welfare programs. The Punjab government and NGOs like Society for the Protection of the Rights of the Child (SPARC) have begun to assist in this area. Punjab, through a pilot project targeting the elimination of bonded labor in brick kilns has assisted nearly 6,000 bonded laborers to obtain CNICs. SPARC, with the support of the Irish charity Trocaire, has helped more than 10,000 bonded laborers in six districts of Sindh and one in Punjab to obtain CNICs. (Ref C) However, many more laborers need to be reached. In addition, their children need access to education. NGOs propose non-formal education initiatives that might revolve around family working hours and assist children in catching up with missed schooling through accelerated programs.

**¶15. (U)** In both the short and long term, economic empowerment programs for laborers are needed. These should be linked with education and skills training relevant to the agricultural

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work these laborers know. Furthermore, raising public awareness and supporting organizations that work with all stakeholders, including landowners, to build awareness of labor rights and humane working conditions, will also have a positive impact. Police and civil society report that increased media coverage appears to already be having a positive effect.

**¶16. (U)** Comment: Post is working to understand in greater detail the initiatives necessary to combat bonded labor abuses, as well as the international and local NGOs and the government agencies best equipped to implement these activities. Post recommends that Department of State assistance, such as GTIP and DRL labor grants, be more focused to these needs. End comment.

PATTERSON